

OUTPATIENT COST OUTLIER

Line 1	Obtain the drug or device from the approved list. If the drug or device is not on the approved list, then STOP. The claim is not subject to the outpatient cost outlier methodology.	_____
Line 2	Enter the total charges (FL 47) from the claim.	_____
Line 3	Enter the noncovered charges (FL 48) from the claim.	_____
Line 4	Net Charges (line 2 minus line 3)	_____
Line 5	Enter your hospital's cost to charge ratio. Each cost reporting hospital received its cost to charge ratio that should be used. The cost to charge ratio for all other facilities is 0.50.	_____
Line 6	Net covered cost is line 4 times line 5.	_____
Line 7	Enter and multiply by 4 the APL rate for the highest payable procedure being billed.	_____
Line 8	Gross outlier is line 6 minus line 7. If the result is less than or equal to zero, then stop. The claim is not subject to reimbursement for cost outlier. Go to line 10 and enter zero.	_____
Line 9	Marginal cost factor is 0.80. This factor is used for all providers.	_____ <u>.80</u>
Line 10	Cost outlier adjustments is line 8 times line 9.	_____
Line 11	Enter the reimbursement rate for the highest payable APL procedure being billed.	_____
Line 12	Total payment line 10 plus line 11.	_____